STEVAN PEARCE

2ND DISTRICT, NEW MEXICO

ASSISTANT MAJORITY WHIP

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Congress of the United States House of Representatives

Washington, DC 20515–3102March 4, 2005

COMMITTEES:

FINANCIAL SERVICES

SUBCOMMITTEES:
HOUSING AND COMMUNITY OPPORTUNITY
FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

HOMELAND SECURITY

SUBCOMMITTEES:

EMERGENCY PREPAREDNESS, SCIENCE AND TECHNOLOGY

ECONOMIC SECURITY, INFRASTRUCTURE PROTECTION AND CYBERSECURITY

Intelligence, Information Sharing and Terrorism Risk Assessment

RESOURCES

SUBCOMMITTEES: WATER AND POWER

The Honorable Jim Nussle Chairman House Budget Committee 309 Cannon H.O.B. Washington, D.C. 20515 The Honorable Richard Pombo ENERGY AND MINERAL RESOURCES Chairman
House Committee on Resources
1324 Longworth H.O.B.
Washington, D.C. 20515

Dear Chairman Nussle and Chairman Pombo:

We support deficit reduction and balancing the federal budget, but we strongly object to the market rate proposal in the Administration's Fiscal Year 2006 budget that would unfairly target our constituents that receive power from one of the four Power Marketing Administrations (PMAs). We oppose this proposal to unjustifiably increase our constituents' power bills to boost the Federal Treasury.

The Administration's proposal would increase PMA rates by 20 percent each year until reaching "market rates." Although the rate increases are described as gradual the impact would be immediate and devastating. Wholesale power rate increases of this magnitude would reverberate through the foundations of our districts' economies. Many federal power customers have already experienced significant cost impacts due to wholesale market conditions and long-term drought, which have reduced the availability of federal hydropower and required customers and the PMAs to make replacement power purchases with higher cost market resources.

The federal power program continues to serve all Americans well. Current rates are cost-based and ensure that all federal costs from generation, transmission and sale of federal power are recovered with interest. Federal taxpayers do not subsidize PMA power for our constituents and our constituents should not have a discriminatory tax inflicted on them to help reduce the budget deficit.

We appreciate the opportunity to share our objections to this proposal with you and stand ready to discuss this matter with you at any time.

Sincerely,

DISTRICT OFFICES:

Sarlura Culur Heather Hilm

Virginia toxx Mile Roger (K) Dany Pellere Bob Bup Your Kules Ed Whate Virgil Loode orard Coble Frall D Luces Jan Calvert on Prus Rule H. Ryly MMill John Horman narilyn Musgav Exe / Celani

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PMA Co-Signer List

<u>Member</u>	Room	Phone #	Contact
Pearce	1607	52365	Matt Meagher
Hastings	1323	55816	Todd Young
Walden	1210	56730	Colby Marshall
Rehberg	516	53211	Julia Gustafson
Cubin	1114	52311	Rick Axthelm
Reichert	1223	57761	Chris Miller
McMorris	1708	52006	Jack Silzel
Otter	1711	56611	Jani Revier
Cannon	2436	57751	Cody Stewart
Emerson	2440	54404	Grant Erdel
Herger	2268	53076	Dan MacLean
Rogers, Mike	514	68337	Dwayne Bolton
Goodlatte	2240	55431	Amanda Foster
Jenkins	1207	56356	Brenda Otterson
Foxx	503	52071	Chris Wall
Graves	1513	57041	Paul Sass
Whitfield	301	53115	Karen Long
Everett	2312	52901	Allison Thompson
Terry	1524	54155	Jamie Karl
Gallegly	2427	55811	Kevin Studer
Rogers	2406	54601	Michael Higdon
Osborne	507	56435	Kristina Muedeking
Wilson	318	56316	Colin Hunter
Lucas	2342	55565	Jim Luetkemeyer
Norwood	2452	54101	Jennie Derge
Kingston	2242	55831	Heather McNatt
Aderholt	1433	54876	Michael Chahinian
Price	506	54501	Travis Johnson
Westmoreland	1118	55901	Merritt Myers
Gingrey	119	52931	Rob Herriott
Cole	236	56165	Brad Watson
Kennedy	1415	52331	Michael Yost
Calvert	2201	51986	Jason Gagnon
Hayes	130	53715	Tommy Sevier
Deal	2133	55211	Todd Smith
Goode	1520	54711	Jerr Rosenbaum
Coble	2468	53065	Arthur Baker
Bachus	442	54921	Gilbert Johnston
Taylor	339	56401	Sean Dalton
Beauprez	504	52645	Marc Scheessele
Duncan	2267	55435	Don Walker
Miller	324	54136	Anne Pizzato
Boozman	1519	54301	Philip Moore
Bishop	124	50453	Justin Harding
Musgrave	1507	54676	Craig Rushing
Radanovich	438	54540	Tricia Geringer
King	1432	54426	Amy Lloyd
Jones	422	53415	Joshua Bowlen
Wamp	1436	53271	Rob Hobart